



# SUPPLEMENTAL DATA FOR THE QUARTER ENDED JUNE 30, 2016



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This presentation includes certain non-GAAP financial measures. These non-GAAP financial measures should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with GAAP. Please refer to the Company’s June 30, 2016 Form 10-Q filing and earnings press release, which are available on Ladder’s website ([www.laddercapital.com](http://www.laddercapital.com)), as well as the supplemental financial tables included herein, for a reconciliation of the non-GAAP financial measures included in this presentation to the most directly comparable financial measures prepared in accordance with GAAP.

Totals may not equal the sum of components due to rounding.

# Second Quarter 2016 Highlights <sup>(1)</sup>



- Core Earnings of \$30.9 million
- Core EPS of \$0.32 per share
- Core ROAE of 9.5% (based on After-Tax Core Earnings)
- GAAP Net Income of \$3.9 million, or \$0.05 per share
- New commercial real estate investments of \$751 million, including new loan originations of \$432 million
- Declared quarterly cash dividend of \$0.275 per share
- Ended the quarter with:
  - \$6.0 billion of total assets
  - \$1.5 billion of book equity (\$13.51 book value per share, up \$0.05 quarter-over-quarter)
  - \$1.6 billion of undepreciated book equity (\$14.36 undepreciated book value per share, up \$0.12 quarter-over-quarter)
  - Debt/equity ratio of 3.0x

(1) For definitions of selected metrics on this slide, see Selected Definitions on page S-17

# Ladder Snapshot



(as of 06/30/2016; \$ in millions, except per share amounts)

Snapshot of Business Lines				Other Assets, Financing, Book Equity and ROE	
<b>Conduit Loans</b>		<b>Net Leased Commercial Real Estate (100% Owned)</b>		<b>Other Assets</b>	
Carrying Value of Assets	\$583	Carrying Value of Assets	\$546	Cash & Cash Equivalents	\$81
Weighted-Average Yield	4.4%	Undepreciated Book Value of Assets	593	Other Assets <sup>(3)</sup>	270
Origination Volume (LTM)	1,802	Total Square Feet	4,079,816	<b>Financing</b>	
Securitization Volume (LTM)	1,713	Weighted-Average Occupancy	100%	Secured Debt	\$3,836
Securitization Profit Margin (LTM)	1.7%	In-Place Annual Net Operating Income (NOI)	\$38.8	Senior Unsecured Notes	559
Number of Securitizations (LTM)	8	<i>Accounting method: carried at depreciated book value</i>		Total Debt	4,395
Net Revenue Contribution (LTM)	\$40	<b>Other Commercial Real Estate<sup>(1)(2)</sup></b>		Other Liabilities <sup>(3)</sup>	106
<i>Accounting method: carried at lower of cost or FMV</i>		Carrying Value of Assets	\$211	<b>Book Equity Value</b>	
<b>Balance Sheet Loans</b>		Undepreciated Book Value of Assets	261	Book Equity Value (excluding NCI in JVs)	\$1,481
Carrying Value of Assets	\$1,544	Total Square Feet	2,554,814	Total Shares Outstanding (mm)	109.6
% First Mortgage	89%	Weighted-Average Occupancy	90%	Book Value per Share	\$13.51
% Other (Mezzanine/Subordinate)	11%	In-Place Annual Net Operating Income (NOI)	\$23.0	Undepreciated Book Value per Share	\$14.36
Weighted-Average Yield	7.4%	Weighted-Average % Owned by Ladder	86.4%	<b>Leverage</b>	
<i>Accounting method: carried at lower of cost or FMV</i>		<i>Accounting method: carried at depreciated book value</i>		Debt/Equity Ratio	3.0x
<b>Securities</b>		<b>Condominium Residential Real Estate<sup>(1)</sup></b>		<b>Return on Average Equity (based on Core Earnings)<sup>(3)</sup></b>	
Carrying Value of Assets	\$2,700	Carrying Value of Assets	\$52	Core Earnings (LTM)	\$160
% First Mortgage Secured	100%	Total Remaining Units	207	Average Book Equity Value (LTM)	1,486
% AAA-Rated	86%	Total Remaining Square Feet	208,456	Pre-Tax Core ROAE (LTM)	10.8%
% Investment Grade-Rated	98%	Unit Sale Price as % of GAAP Book Value (LTM)	149%	Core ROAE (After-Tax) (LTM)	10.7%
Weighted-Average Duration	3.2 Years	Weighted-Average % Owned by Ladder	99.5%	<i>Accounting method: carried at FMV</i>	
<i>Accounting method: carried at FMV</i>		<i>Accounting method: carried at depreciated book value</i>			

(1) All metrics shown on a consolidated basis, except Weighted-Average % Owned by Ladder

(2) Excludes two unconsolidated joint venture investments with total book value of \$33.8 million as of June 30, 2016

(3) For definition(s), see Selected Definitions on page S-17

# Investment Portfolio Summary



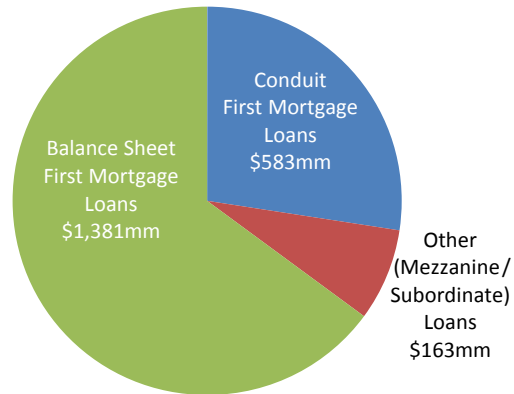
(\$ in millions)	Investment Portfolio (as of 06/30/2016)		Core Earnings Contribution (6 months ended 06/30/2016)	
	Carrying Value of Assets	% of Total Assets	Amount of Contribution	% of Total Contribution
Conduit First Mortgage Loans	\$583	10%	\$8.2	7%
Balance Sheet First Mortgage Loans	1,381	23%	49.1	43%
Other (Mezzanine/Subordinate) Loans	163	3%	12.5	11%
<b>Total Loans</b>	<b>\$2,127</b>	<b>36%</b>	<b>\$69.8</b>	<b>61%</b>
Securities	\$2,700	45%	\$18.2	16%
Net Leased Commercial Real Estate	\$546	9%	\$11.8	10%
Other Commercial Real Estate	211	4%	5.7	5%
Condominium Residential Real Estate	52	1%	7.4	7%
<b>Total Real Estate Equity Properties</b>	<b>\$809</b>	<b>14%</b>	<b>\$24.9</b>	<b>22%</b>
Other Investments	\$112	2%	\$0.9	1%
<b>Total Investment Assets</b>	<b>\$5,748</b>	<b>96%</b>	<b>\$113.8</b>	<b>100%</b>
Cash and Cash Equivalents (unrestricted)	\$81	1%		
Cash Collateral Held by Broker	51	1%		
Other Assets	107	2%		
<b>Total Assets</b>	<b>\$5,987</b>	<b>100%</b>	<b>\$113.8</b>	<b>100%</b>
Corporate Bond Interest Expense			(20.9)	(18%)
Corporate Operating Expenses/Other			(23.8)	(21%)
<b>Total Core Earnings</b>			<b>\$69.1</b>	<b>61%</b>

# Loan Portfolio Overview



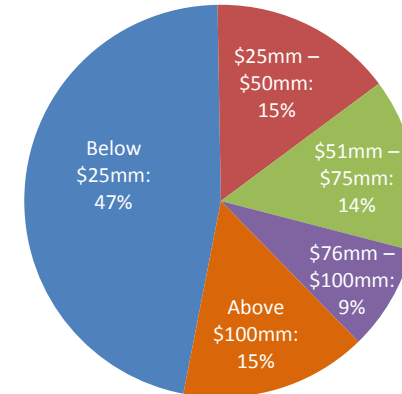
(as of 06/30/2016)

## Loan Type



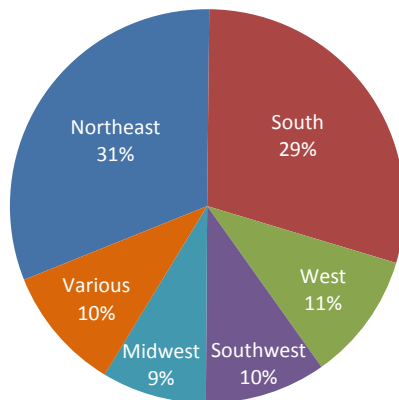
**\$2.1 billion total loan portfolio**  
**58% floating rate / 42% fixed rate**

## Loan Size

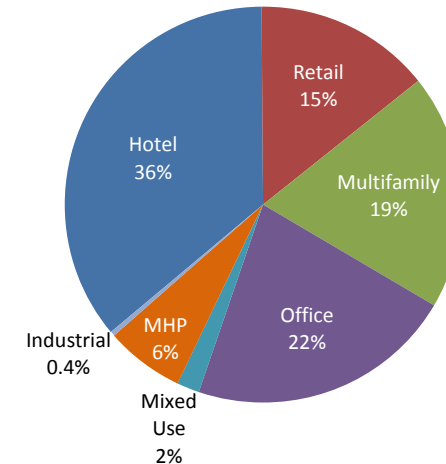


**\$17 million average loan balance**

## Geography



## Property Type



# Loans Segment Summary



(\$ in millions)

	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
<b>Conduit First Mortgage Loans</b>						
Carrying Value of Assets (end of quarter)	\$583	\$353	\$572	\$334	\$508	\$251
Origination Volume	270	69	813	649	740	392
Weighted-Average Coupon (end of quarter)	4.4%	4.3%	4.6%	4.1%	4.3%	3.9%
Securitization Volume	–	\$249	\$604	\$860	\$487	\$634
Securitization Profit, Net <sup>(1)</sup>	–	4	13	12	23	17
Securitization % Profit Margin	–	1.5%	2.1%	1.4%	4.6%	2.7%

## **Balance Sheet First Mortgage Loans**

Carrying Value of Assets (end of quarter)	\$1,381	\$1,378	\$1,453	\$1,510	\$1,464	\$1,530
Origination Volume	162	50	121	178	244	291
Weighted-Average Coupon (end of quarter)	6.8%	7.0%	6.8%	6.7%	6.8%	6.4%
Weighted-Average LTV (end of quarter)	66%	67%	68%	67%	64%	63%

## **Other (Mezzanine/Subordinate) Loans**

Carrying Value of Assets (end of quarter)	\$163	\$195	\$286	\$285	\$276	\$245
Origination Volume	–	–	1	9	32	87
Mezz./Subordinate Loans % of Total Assets	2.7%	3.4%	4.8%	4.9%	4.8%	4.2%
Weighted-Average Coupon (end of quarter)	10.9%	10.8%	10.1%	10.0%	10.0%	10.1%
Weighted-Average LTV (end of quarter)	74%	66%	69%	67%	67%	73%

## **Total Loan Portfolio**

Carrying Value of Assets (end of quarter)	\$2,127	\$1,926	\$2,310	\$2,128	\$2,249	\$2,026
Weighted-Average Yield (end of quarter)	6.6%	7.0%	6.8%	7.1%	7.0%	6.9%

(1) Equivalent to "Income from sales of securitized loans, net of hedging" as reported in Company filings. For reconciliation, see page S-14

# Securities Segment Summary

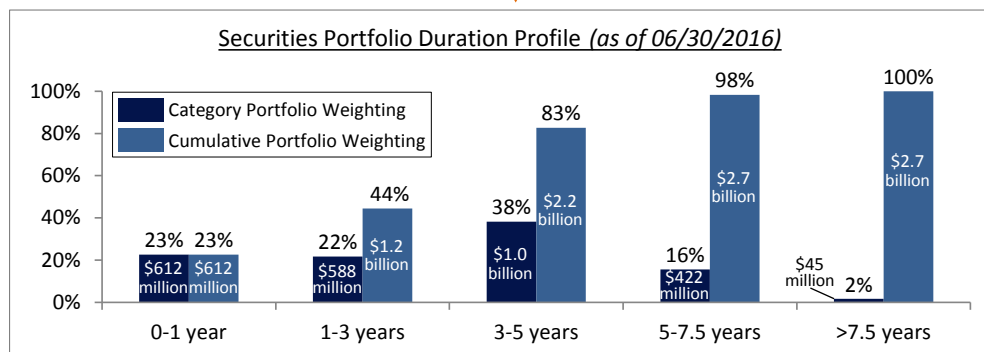


(\$ in millions)

	06/30/2016	03/31/2016	12/31/2015	09/30/2015	06/30/2015	03/31/2015
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## Securities (CMBS & U.S. Agency)

Carrying Value of Assets	\$2,700	\$2,599	\$2,407	\$2,415	\$2,299	\$2,624
Weighted-Average Yield	2.9%	3.0%	2.8%	2.8%	2.9%	2.6%
Number of CUSIPs	226	219	200	202	203	229
Average CUSIP Size	\$11.9	\$11.9	\$12.0	\$12.0	\$11.3	\$11.5
Weighted-Average Duration	3.2 Years	3.3 Years	3.3 Years	3.5 Years	3.6 Years	4.0 Years
% AAA-Rated or Agency-Backed	86%	85%	87%	85%	84%	81%
% Investment Grade-Rated	98%	98%	99%	98%	98%	98%



**Highly-rated, short duration securities portfolio**



# Real Estate Segment Summary



(\$ in millions)

	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
<b>Net Leased Commercial Real Estate (100% Owned)</b>						
Acquisitions	\$16	–	\$46	\$27	\$21	\$103
Sales	–	9	–	18	23	–
Carrying Value of Assets (end of quarter)	546	533	545	497	498	502
Square Feet (end of quarter)	4,079,816	3,959,222	3,972,788	3,661,410	3,649,663	3,582,916
Net Operating Income (Rental Income)	\$10.0	\$10.0	\$9.8	\$9.2	\$9.2	\$8.1

## **Other Commercial Real Estate <sup>(1)</sup>**

Acquisitions	\$0	–	\$7	–	\$16	–
Sales	–	–	62	–	–	–
Carrying Value of Assets (end of quarter)	211	214	218	265	259	248
Square Feet (end of quarter)	2,554,814	2,554,814	2,554,814	2,898,595	2,842,208	2,502,237
Net Operating Income	\$5.1	\$5.4	\$6.4	\$7.1	\$6.3	\$5.9

## **Condominium Residential Real Estate <sup>(1)</sup>**

Sales	\$14	\$14	\$14	\$14	\$18	\$22
Carrying Value of Assets (end of quarter)	52	62	71	79	89	102
Remaining Condo Units (end of quarter)	207	247	285	326	365	414
Unit Sale Price as % of GAAP Book Value	146%	153%	147%	150%	140%	148%

(1) All metrics shown on a consolidated basis

# Financing and Leverage Overview



## Diverse Committed Financing Sources

(as of 06/30/2016)

Source	Remaining Term <sup>(1)</sup>	Facility Size (\$mm)	Eligible Collateral
Federal Home Loan Bank	Member	\$2,229 <sup>(2)</sup>	Conduit and balance sheet loans; securities
Bank A	3.5+ years	450	Conduit and balance sheet loans
Bank B – facility 1 of 2	2.0+ years	600	Conduit and balance sheet loans
Bank B – facility 2 of 2 <sup>(3)</sup>	4 months	300	Securities
Bank C	2.5+ years	400	Conduit and balance sheet loans
Bank D	3.0 years	100	Conduit and balance sheet loans
Bank E <sup>(4)</sup>	1.0+ years	35	Conduit loans
Revolving Credit Facility	2.5+ years	143	N/A (unsecured)
Mortgage Financing (3 <sup>rd</sup> Party)	7.4 years	547	Real Estate Equity Investments
Unsecured Corporate Bonds <sup>(5)</sup>	1.0+ years	298	N/A (unsecured)
Unsecured Corporate Bonds <sup>(5)</sup>	5.0+ years	266	N/A (unsecured)
<b>Total</b>		<b>\$5,368</b>	

(1) Includes extensions at Company's option

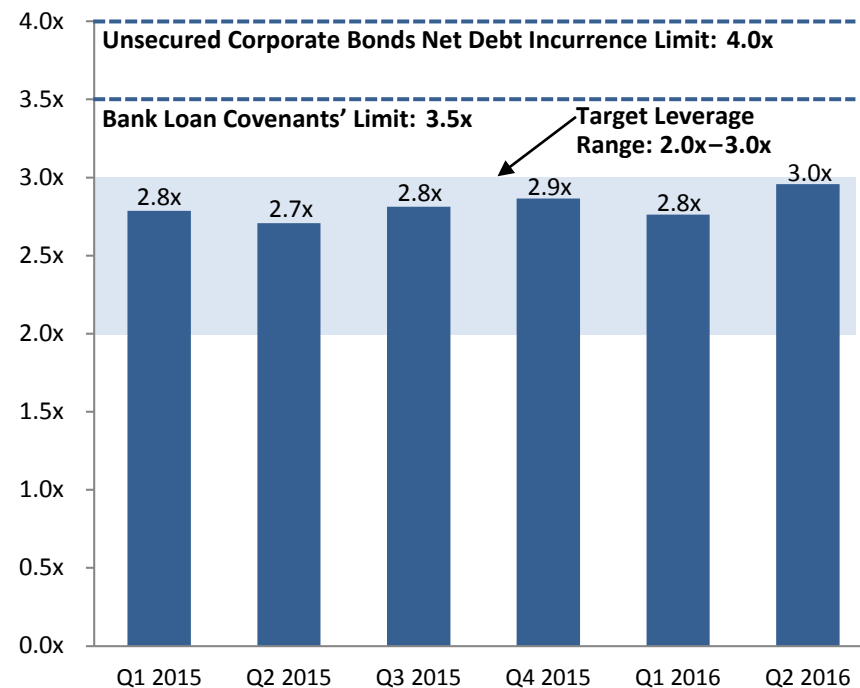
(2) Maximum borrowings are the lesser of \$2.85 billion, 40% of Ladder's captive insurance subsidiary's total assets or 150% of Ladder's total book equity

(3) Subsequent to 06/30/2016, this facility was upsize to \$400 million and its maturity date was extended to July 2018

(4) Subsequent to 06/30/2016, this facility was terminated and replaced with a new \$100 million facility with a maturity date of August 2021

(5) Corporate family ratings: Moody's: Ba2 / S&P: BB- / Fitch: BB. Corporate bond ratings: Moody's: Ba3 / S&P: B+ / Fitch: BB

## Historical Debt/Equity Ratio (at End of Quarter)



**Consistent focus on match-funding and counterparty diversity**

# Interest Rate Risk Management



- In a rising interest rate environment, Ladder expects to benefit from:
  - \$1.2 billion floating rate balance sheet loan portfolio
  - \$1.8 billion of fixed rate debt with remaining terms greater than one year
  - \$1.2 billion (notional value) of interest rate hedge positions that place Ladder in a position equivalent to that of a “fixed rate payer/floating rate receiver”
  - The Company estimates that a 100 basis point increase in LIBOR would result in an increase in annual net interest income of approximately \$3.3 million:

Change in LIBOR	Projected Change in Annual Net Interest Income (\$mm)
Decrease of 100 Basis Points	(\$2.1)
Increase of 100 Basis Points	\$3.3

- Ladder typically hedges its base of fixed rate assets with durations exceeding four years
  - The Company estimates that a 100 basis point change in LIBOR would result in the following changes to such asset values:

Change in LIBOR	Projected Change in Net Equity Value (\$mm)
Decrease of 100 Basis Points	\$5.2
Increase of 100 Basis Points	(\$5.7)

Note: All amounts as of 06/30/2016

# Supplemental Financial Tables



# Income Statement by Quarter



(\$ in millions, except per share values)

	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
<b>Net interest income</b>						
Interest income	\$55.8	\$59.6	\$62.9	\$63.0	\$59.2	\$56.4
Interest expense	28.4	29.5	29.5	29.5	27.5	26.8
<b>Net interest income</b>	<b>\$27.4</b>	<b>\$30.1</b>	<b>\$33.4</b>	<b>\$33.5</b>	<b>\$31.8</b>	<b>\$29.6</b>
Provision for loan losses	0.2	0.2	0.2	0.2	0.2	0.2
<b>Net interest income after provision for loan losses</b>	<b>\$27.2</b>	<b>\$29.9</b>	<b>\$33.3</b>	<b>\$33.3</b>	<b>\$31.6</b>	<b>\$29.4</b>
<b>Other income</b>						
Operating lease income	19.1	19.3	20.3	20.7	20.4	19.1
Tenant recoveries	1.3	1.3	2.0	2.8	2.5	2.5
Sale of loans, net	2.8	7.8	11.3	15.2	14.5	30.0
Realized gain (loss) on securities	3.0	(0.6)	0.3	0.5	11.0	12.2
Unrealized gain (loss) on Agency interest-only securities	(0.6)	0.7	(0.6)	0.7	(0.1)	(1.3)
Realized gain on sale of real estate, net	4.9	6.1	19.0	6.4	7.3	7.7
Fee and other income	6.2	3.0	4.3	3.5	3.8	3.5
Net result from derivative transactions	(24.6)	(50.9)	15.7	(42.2)	26.8	(39.1)
Earnings from investment in unconsolidated joint ventures	(0.2)	0.8	(0.2)	(0.0)	0.2	0.4
Gain on assignment of mortgage loan financing	—	—	—	—	—	—
Gain on extinguishment of debt	—	5.4	—	—	—	—
<b>Total other income</b>	<b>\$11.8</b>	<b>(\$7.1)</b>	<b>\$72.2</b>	<b>\$7.5</b>	<b>\$86.5</b>	<b>\$35.0</b>
<b>Costs and expenses</b>						
Salaries and employee benefits	13.4	12.6	14.3	17.6	15.9	13.8
Operating expenses	4.7	6.3	4.6	5.0	6.7	8.8
Real estate operating expenses	8.9	5.7	7.9	9.0	9.6	9.4
Real estate acquisition costs	0.2	—	0.5	0.5	0.5	0.6
Fee expense	0.9	0.7	1.3	0.7	1.5	1.1
Depreciation and amortization	9.3	9.8	9.8	9.6	10.0	9.7
<b>Total costs and expenses</b>	<b>\$37.4</b>	<b>\$35.2</b>	<b>\$38.3</b>	<b>\$42.3</b>	<b>\$44.2</b>	<b>\$43.4</b>
<b>Income (loss) before taxes</b>	<b>\$1.6</b>	<b>(\$12.3)</b>	<b>\$67.1</b>	<b>(\$1.4)</b>	<b>\$73.9</b>	<b>\$21.1</b>
Income tax expense (benefit)	(2.3)	(0.9)	10.5	(4.2)	5.2	3.1
<b>Net income</b>	<b>\$3.9</b>	<b>(\$11.4)</b>	<b>\$56.7</b>	<b>\$2.8</b>	<b>\$68.7</b>	<b>\$18.0</b>
Net (income) loss attributable to noncontrolling interest in consolidated joint ventures	(0.2)	0.2	(2.1)	0.1	0.7	(0.2)
Net (income) loss attributable to noncontrolling interest in operating partnership	(0.9)	5.7	(27.4)	0.4	(35.2)	(8.6)
<b>Net income attributable to Class A common shareholders</b>	<b>\$2.8</b>	<b>(\$5.5)</b>	<b>\$27.1</b>	<b>\$3.3</b>	<b>\$34.2</b>	<b>\$9.2</b>
<b>Earnings per share:</b>						
Basic	\$0.05	(\$0.09)	\$0.51	\$0.06	\$0.68	\$0.18
Diluted	0.05	(0.09)	0.50	0.06	0.67	0.15
<b>Weighted average shares outstanding (mm):</b>						
Basic	61.2	59.6	53.5	52.9	50.3	50.0
Diluted	62.0	59.6	98.0	53.3	50.9	98.1
<b>Core Earnings (pre-tax)</b>	<b>\$30.9</b>	<b>\$38.2</b>	<b>\$50.1</b>	<b>\$41.2</b>	<b>\$52.1</b>	<b>\$48.0</b>
<b>Core EPS (after-tax)</b>	<b>\$0.32</b>	<b>\$0.38</b>	<b>\$0.45</b>	<b>\$0.40</b>	<b>\$0.51</b>	<b>\$0.48</b>

# Core Earnings, Core EPS & ROAE Reconciliation by Quarter



(\$ in millions, except per share values)

	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
<b>Net income</b>	<b>\$3.9</b>	<b>(\$11.4)</b>	<b>\$56.7</b>	<b>\$2.8</b>	<b>\$68.7</b>	<b>\$18.0</b>
Income tax expense (benefit)	(2.3)	(0.9)	10.5	(4.2)	5.2	3.1
<b>Income (loss) before taxes</b>	<b>\$1.6</b>	<b>(\$12.3)</b>	<b>\$67.1</b>	<b>(\$1.4)</b>	<b>\$73.9</b>	<b>\$21.1</b>
Net (income) loss attributable to noncontrolling interest in consolidated joint ventures	(0.2)	0.2	(2.1)	0.1	0.7	(0.2)
Our share of real estate depreciation, amortization and gain adjustments	8.0	8.3	3.9	8.0	8.4	8.4
Adjustments for unrecognized derivative results	16.1	39.3	(20.7)	31.9	(32.9)	11.5
Unrealized (gain) loss on agency IO securities	0.6	(0.7)	0.6	(0.7)	0.1	1.3
Premium (discount) on mortgage loan financing, net of amortization	(0.2)	(0.0)	(1.0)	(0.1)	(0.3)	2.1
Non-cash stock-based compensation	5.0	3.3	2.3	3.4	2.3	2.2
One-time transactional adjustment	—	—	—	—	—	1.5
<b>Core earnings</b>	<b>\$30.9</b>	<b>\$38.2</b>	<b>\$50.1</b>	<b>\$41.2</b>	<b>\$52.1</b>	<b>\$48.0</b>
Core estimated corporate tax benefit (expense)	4.1	1.7	(6.2)	(1.5)	(2.5)	(0.7)
<b>After-tax core earnings</b>	<b>\$35.0</b>	<b>\$39.9</b>	<b>\$44.0</b>	<b>\$39.6</b>	<b>\$49.7</b>	<b>\$47.3</b>
Adjusted weighted average shares outstanding (diluted) (mm)	108.4	106.1	98.0	98.1	97.6	97.7
<b>Core EPS</b>	<b>\$0.32</b>	<b>\$0.38</b>	<b>\$0.45</b>	<b>\$0.40</b>	<b>\$0.51</b>	<b>\$0.48</b>
Weighted average shares outstanding (diluted) (mm)	62.0	59.6	98.0	53.3	50.9	98.1
Effect of shares issuable to converted Class B shareholders, unvested restricted stock, and unvested stock options (mm)	46.4	46.5	—	44.7	46.7	(0.4)
<b>Adjusted weighted average shares outstanding (diluted) (mm)</b>	<b>108.4</b>	<b>106.1</b>	<b>98.0</b>	<b>98.1</b>	<b>97.6</b>	<b>97.7</b>

	Last Twelve Months (LTM) Ended 06/30/2016						
Core earnings	\$160.4	\$30.9	\$38.2	\$50.1	\$41.2	\$52.1	\$48.0
Average book equity	1,486.3	1,478.2	1,480.7	1,488.9	1,497.6	1,504.8	1,501.8
<b>Pre-tax Core ROAE</b>	<b>10.8%</b>	<b>8.4%</b>	<b>10.3%</b>	<b>13.5%</b>	<b>11.0%</b>	<b>13.9%</b>	<b>12.8%</b>
After-tax core earnings	\$158.5	\$35.0	\$39.9	\$44.0	\$39.6	\$49.7	\$47.3
Average book equity	1,486.3	1,478.2	1,480.7	1,488.9	1,497.6	1,504.8	1,501.8
<b>Core ROAE (after-tax)</b>	<b>10.7%</b>	<b>9.5%</b>	<b>10.8%</b>	<b>11.8%</b>	<b>10.6%</b>	<b>13.2%</b>	<b>12.6%</b>

# Securitization Profitability Calculation & GAAP Reconciliation by Quarter



(\$ in millions)

	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
<b>Face amount of loans sold into securitizations</b>	–	\$249.2	\$603.6	\$860.1	\$486.9	\$634.4
Income from sale of securitized loans, net (see GAAP reconciliation A below)	–	\$7.5	\$11.3	\$15.2	\$14.5	\$30.0
Hedge gain/(loss) related to loans securitized (see GAAP reconciliation B below)	–	(3.8)	1.6	(3.4)	8.1	(12.8)
<b>Income from sales of securitized loans, net of hedging</b>	–	\$3.7	\$13.0	\$11.8	\$22.6	\$17.3
<b>Securitization profit margin</b>	–	1.5%	2.1%	1.4%	4.6%	2.7%

## Reconciliations to closest GAAP measures

### GAAP reconciliation A

Income from sale of loans (non-securitized), net	\$2.8	\$0.3	–	–	–	–
Income from sale of securitized loans, net	–	7.5	11.3	15.2	14.5	30.0
<b>Income from sale of loans, net (GAAP)</b>	<b>\$2.8</b>	<b>\$7.8</b>	<b>\$11.3</b>	<b>\$15.2</b>	<b>\$14.5</b>	<b>\$30.0</b>

### GAAP reconciliation B

Hedge gain/(loss) related to lending and securities positions	(\$23.9)	(\$46.8)	\$14.1	(\$38.8)	\$18.7	(\$26.4)
Hedge gain/(loss) related to loans (non-securitized)	(0.8)	(0.3)	–	–	–	–
Hedge gain/(loss) related to loans securitized	–	(3.8)	1.6	(3.4)	8.1	(12.8)
<b>Net results from derivative transactions (GAAP)</b>	<b>(\$24.6)</b>	<b>(\$50.9)</b>	<b>\$15.7</b>	<b>(\$42.2)</b>	<b>\$26.8</b>	<b>(\$39.1)</b>

# Balance Sheet by Quarter



(\$ in millions, except per share values)

	06/30/2016	03/31/2016	12/31/2015	09/30/2015	06/30/2015	03/31/2015
<b>Assets</b>						
Cash and cash equivalents	\$81.4	\$82.7	\$109.0	\$181.5	\$102.9	\$83.5
Cash collateral held by broker	50.5	30.1	30.8	50.9	44.5	48.0
Mortgage loan receivables held for investment, net, at amortized cost	1,543.9	1,572.8	1,738.6	1,794.8	1,740.8	1,775.0
Mortgage loan receivables held for sale	583.5	353.3	571.8	333.5	507.7	250.6
Real estate securities, available for sale	2,700.2	2,598.9	2,407.2	2,415.4	2,299.3	2,623.9
Real estate held for sale	—	—	—	49.0	49.0	21.9
Real estate and related lease intangibles, net	808.8	809.2	834.8	791.6	797.3	829.5
Investments in unconsolidated joint ventures	33.8	34.9	33.8	33.8	3.0	2.8
FHLB stock	77.9	77.9	77.9	77.9	69.9	72.3
Derivative instruments	0.2	0.2	2.8	0.3	1.6	0.2
Due from brokers	5.6	—	—	0.0	0.0	26.0
Accrued interest receivable	21.2	22.1	22.8	22.2	20.6	22.5
Other assets	80.5	73.2	65.7	78.9	82.0	88.5
<b>Total assets</b>	<b>\$5,987.4</b>	<b>\$5,655.3</b>	<b>\$5,895.2</b>	<b>\$5,830.0</b>	<b>\$5,718.5</b>	<b>\$5,844.6</b>
<b>Liabilities</b>						
Debt obligations	\$4,395.0	\$4,091.4	\$4,274.7	\$4,215.5	\$4,088.6	\$4,221.7
Due to brokers	0.0	8.9	—	2.0	17.9	0.3
Derivative instruments	26.5	12.7	5.5	21.9	9.2	24.9
Amount payable pursuant to tax receivable agreement	1.9	1.9	1.9	2.2	1.3	0.9
Dividends payable	2.5	1.9	17.5	1.4	0.9	12.5
Accrued expenses	48.0	33.3	78.1	57.8	60.0	45.6
Other liabilities	27.4	23.8	26.1	30.0	30.1	24.1
<b>Total liabilities</b>	<b>\$4,501.3</b>	<b>\$4,174.0</b>	<b>\$4,403.8</b>	<b>\$4,330.8</b>	<b>\$4,208.0</b>	<b>\$4,329.9</b>
<b>Equity (capital)</b>						
Class A common stock, par value \$0.001 per share, 600,000,000 shares authorized	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1
Class B common stock, no par value, 100,000,000 shares authorized	0.0	0.0	0.0	0.0	0.0	—
Additional paid-in capital	871.4	869.3	776.9	766.5	739.2	721.5
Treasury stock	(11.2)	(11.2)	(5.8)	—	—	—
Retained earnings	(41.1)	(26.5)	60.6	49.6	61.4	40.9
Accumulated other comprehensive income/(loss)	32.0	16.1	(3.6)	14.4	5.3	25.4
<b>Total shareholders' equity (partners' capital)</b>	<b>\$851.1</b>	<b>\$847.8</b>	<b>\$828.2</b>	<b>\$830.6</b>	<b>\$806.1</b>	<b>\$787.8</b>
Noncontrolling interest in operating partnership	629.4	628.0	657.4	661.5	697.0	718.7
Noncontrolling interest in consolidated joint ventures	5.6	5.5	5.8	7.0	7.5	8.1
<b>Total equity (capital)</b>	<b>\$1,486.1</b>	<b>\$1,481.3</b>	<b>\$1,491.4</b>	<b>\$1,499.1</b>	<b>\$1,510.5</b>	<b>\$1,514.6</b>
<b>Total liabilities and equity (capital)</b>	<b>\$5,987.4</b>	<b>\$5,655.3</b>	<b>\$5,895.2</b>	<b>\$5,830.0</b>	<b>\$5,718.5</b>	<b>\$5,844.6</b>
Debt/Equity Ratio <sup>(1)</sup>	3.0x	2.8x	2.9x	2.8x	2.7x	2.8x
Total Shares Outstanding (mm) <sup>(2)</sup>	109.6	109.6	109.3	99.4	99.6	99.6
<b>Book Value per Share <sup>(1)(2)</sup></b>	<b>\$13.51</b>	<b>\$13.46</b>	<b>\$13.59</b>	<b>\$15.02</b>	<b>\$15.10</b>	<b>\$15.13</b>
<b>Undepreciated Book Value per Share <sup>(1)(2)</sup></b>	<b>\$14.36</b>	<b>\$14.24</b>	<b>\$14.29</b>	<b>\$15.75</b>	<b>\$15.75</b>	<b>\$15.68</b>
Distributions per LADR Share	\$0.275	\$0.275	\$1.450	\$0.275	\$0.25	\$0.25

(1) For definition, see Selected Definitions on page S-17

(2) Q4 2015 adjusted for issuance of approximately 10.1 million shares in January 2016 as part of LADR's Q4 2015 dividend



# Summary of Book Equity & Share Count



(\$ in millions, except per share values)

	06/30/2016	03/31/2016	12/31/2015	09/30/2015	06/30/2015	03/31/2015
<b>Beginning book equity balance</b>	<b>\$1,481.3</b>	<b>\$1,491.4</b>	<b>\$1,499.1</b>	<b>\$1,510.5</b>	<b>\$1,514.6</b>	<b>\$1,505.2</b>
Net income	3.9	(11.4)	56.7	2.8	68.7	18.0
Dividends/distributions	(31.3)	(30.5)	(31.8)	(33.4)	(38.4)	(26.4)
Changes in other comprehensive income (OCI)	27.5	34.4	(32.4)	16.0	(38.6)	18.5
Issuance of common stock, net of offering costs	—	—	—	—	—	—
Other	4.7	(2.5)	(0.2)	3.2	4.2	(0.6)
<b>Ending book equity balance</b>	<b>\$1,486.1</b>	<b>\$1,481.3</b>	<b>\$1,491.4</b>	<b>\$1,499.1</b>	<b>\$1,510.5</b>	<b>\$1,514.6</b>
Noncontrolling interests in consolidated joint ventures	(5.6)	(5.5)	(5.8)	(7.0)	(7.5)	(8.1)
<b>Ending book equity balance excluding noncontrolling interests</b>	<b>\$1,480.5</b>	<b>\$1,475.8</b>	<b>\$1,485.6</b>	<b>\$1,492.1</b>	<b>\$1,503.1</b>	<b>\$1,506.5</b>
<b>Average book equity balance excluding noncontrolling interests</b>	<b>\$1,478.2</b>	<b>\$1,480.7</b>	<b>\$1,488.9</b>	<b>\$1,497.6</b>	<b>\$1,504.8</b>	<b>\$1,501.8</b>
Accumulated depreciation & amortization – net leased commercial real estate	47.6	42.6	38.0	33.3	28.9	25.0
Accumulated depreciation & amortization – other commercial real estate	49.6	45.3	40.4	40.8	36.0	30.3
Accumulated depreciation & amortization – condominium residential real estate	4.2	4.5	4.7	4.8	4.8	4.8
Less: noncontrolling interests' share of accumulated real estate depreciation & amortization	(7.8)	(7.3)	(6.6)	(5.9)	(5.2)	(4.9)
<b>Accumulated depreciation &amp; amortization – total</b>	<b>\$93.4</b>	<b>\$85.1</b>	<b>\$76.5</b>	<b>\$73.0</b>	<b>\$64.5</b>	<b>\$55.2</b>
<b>Ending undepreciated book value</b>	<b>\$1,573.9</b>	<b>\$1,560.9</b>	<b>\$1,562.1</b>	<b>\$1,565.1</b>	<b>\$1,567.6</b>	<b>\$1,561.7</b>
Total ending shares outstanding (mm) <sup>(1)</sup>	109.6	109.6	109.3	99.4	99.6	99.6
<b>Book value per share<sup>(1)(2)</sup></b>	<b>\$13.51</b>	<b>\$13.46</b>	<b>\$13.59</b>	<b>\$15.02</b>	<b>\$15.10</b>	<b>\$15.13</b>
<b>Undepreciated book value per share<sup>(1)(2)</sup></b>	<b>14.36</b>	<b>14.24</b>	<b>14.29</b>	<b>15.75</b>	<b>15.75</b>	<b>15.68</b>

(1) Q4 2015 adjusted for issuance of approximately 10.1 million shares in January 2016 as part of LADR's Q4 2015 dividend

(2) For definition, see Selected Definitions on page S-17

# Selected Definitions



- **Book Value per Share**
  - Total equity (capital), adjusted to exclude total noncontrolling interest in consolidated joint ventures, divided by total diluted shares outstanding.
- **Core Earnings**
  - Income before taxes adjusted to exclude (i) real estate depreciation and amortization, (ii) the impact of derivative gains and losses related to the hedging of assets on our balance sheet as of the end of the specified accounting period, (iii) unrealized gains/(losses) related to our investments in Agency interest-only securities, (iv) the premium (discount) on mortgage loan financing and the related amortization of premium (discount) on mortgage loan financing recorded during the period, (v) non-cash stock-based compensation and (vi) certain one-time transactional items.
- **Core EPS**
  - After-tax Core Earnings divided by adjusted weighted-average shares outstanding.
- **Core Return on Average Equity (Core ROAE)**
  - After-tax Core Earnings divided by average book equity balance excluding total noncontrolling interest in consolidated joint ventures.
- **Debt/Equity Ratio**
  - Total debt outstanding divided by total equity (capital).
- **Other Assets**
  - Includes cash collateral held by broker, investments in unconsolidated joint ventures, FHLB stock, derivative instrument assets, amount due from brokers, accrued interest receivable and other assets.
- **Other Liabilities**
  - Includes amount due to brokers, derivative instrument liabilities, amount payable pursuant to tax receivable agreement, dividend payable, accrued expenses and other liabilities.
- **Pre-Tax Core Return on Average Equity (Pre-Tax Core ROAE)**
  - Core Earnings divided by average book equity balance excluding total noncontrolling interest in consolidated joint ventures.
- **Undepreciated Book Value per Share**
  - Total equity (capital), adjusted to exclude total noncontrolling interest in consolidated joint ventures and adjusted to include total real estate accumulated depreciation and amortization, divided by total diluted shares outstanding.